



To: The Subcommittee on Environment and Climate Change of the Committee on Energy and Commerce

Fr: Mike Carr, Executive Director, New Energy America (NEA)

Date: October 28, 2019

Subject: NEA's Letter for the Record on Hearing 'Protecting the RFS: The Trump Administration's Abuse of Secret Waivers'

Dear Chairman Tonko, Ranking Member Shimkus, and members of the committee:

Our organization is writing to express our support for the growth of the Renewable Fuel Standard as Congress originally intended, and for the immediate end of the continued issuance of Small Refinery Exemptions (SREs) that the current Administration has allowed.

As a candidate in 2016 Trump promised to “grow” the Renewable Fuel Standard (RFS). Far from growing the RFS, Trump has allowed the program to be gutted, breaking his promise.

Under Trump's watch, EPA has used “small refinery exemptions” to [decimate demand for biofuels](#). These waivers have erased almost 4 billion gallons of biofuel demand, [outraging farmers](#) and [farm state leaders](#) and [creating a political opening for Democrats](#). Promising to fix the problem, the President held a series of meetings with the biofuels industry and farm state Senators to come up with a “big package” to finally keep the President's word on biofuels.

The Deal

On October 4th EPA Administrator Andrew Wheeler [announced a deal with biofuels groups](#) to fulfill Trump's promise. Under the deal, an average of the last three years of small refinery waiver volumes would be applied to future volume obligations. This would replace the volumes lost by the waivers and get the program back on track:

“By averaging the last three years of what the small refinery program takes and propose going that much higher than 15 billion gallons, we net out **at least 15 billion gallons or higher**. So that corn farmers and the ethanol producers have the certainty they need ... Yes there may be waivers next year because those are required under the law, but what we're doing is putting forth 15 billion gallons **plus an additional amount** based upon what we've given out in the last three years in the waivers.”

This deal was [heralded](#) by the farmers, the biofuel industry, and lawmakers from farm states, because it apparently would get the volumes back up to the levels Congress had mandated.

Small Refiner Exemptions Granted and Associated Fuel Volumes

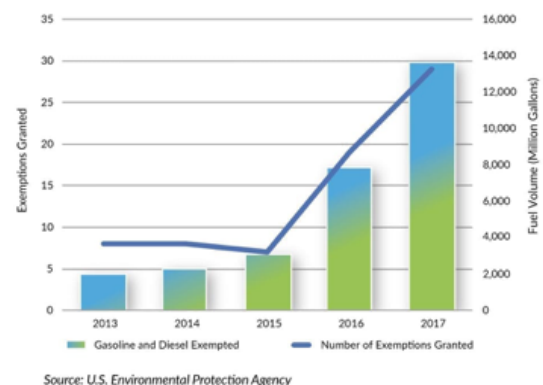
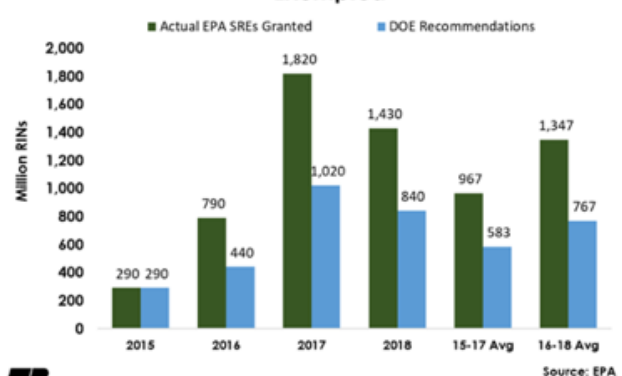


Figure 3. Difference in Estimated RVOs Exempted



But on October 15th EPA [released details](#) of its actual proposal, which was far different than the deal everyone agreed to. Instead of adjusting obligations to account for actual waivers issued, the Administration proposed to use only the waivers *recommended* by the Department of Energy – even though EPA rejected those recommendations and granted nearly double the volumes proposed by DOE. This proposal means far less biofuels blended into the nation's fuel supply going forward. Not only is this not what Trump had promised, it's not even what Administrator Wheeler agreed to eleven days before.

The differences between the volumes proposed and volumes granted are massive, and if implemented, it will mean that

Donald Trump's promise to farmers and midwestern voters is broken (again). Worse, EPA is left in charge of implementing the deal in future years – the same EPA that has shown its willingness to throw the [biofuels industry under the bus](#) again, and again, making investment certainty impossible. It's a classic "bait and switch," and Trump and his EPA seem to think that farmers aren't sophisticated enough to see what's happening.

We ask that the Members of the Subcommittee on Environment and Climate Change hold Donald Trump and his Administration accountable for the promises made to farmers across rural America who have been decimated by the President's actions, and uphold their responsibility to carry out the mandates of the Renewable Fuels Standard as Congress had originally intended.

Sincerely,

Mike Carr

Mike Carr
Executive Director
New Energy America

